

**Applying Lessons Learned from
\$2 a Day:
Living on Almost Nothing in America
to Jobs Plus**

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21ST CENTURY CITIES INITIATIVE

The 21st Century Cities (21CC) Initiative at Johns Hopkins is a university-wide Signature Initiative that brings together civic leaders, top Johns Hopkins researchers, students, and other universities worldwide with a vital interest in cities.

Our goal is to catalyze the potential and confront the pressing needs of cities in the 21st Century, like Baltimore, that have had to address sharp demographic and economic changes.



Quantifying the
“Ferguson
effect”

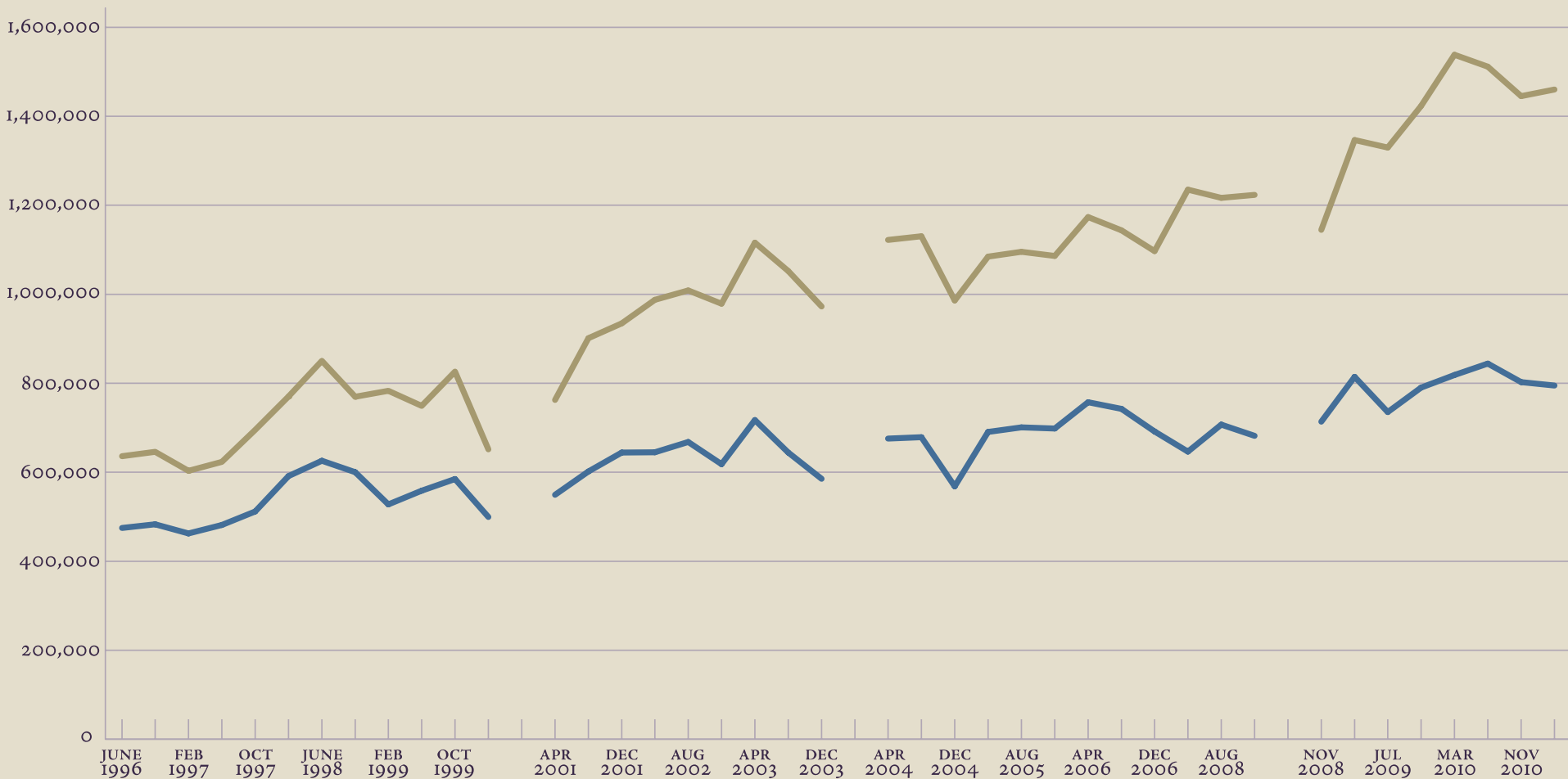


Predicting
Vacancies

Figure 1. The Number of Households with Children in Extreme Poverty

— \$2 per person per day
— \$2 per person per day, with SNAP

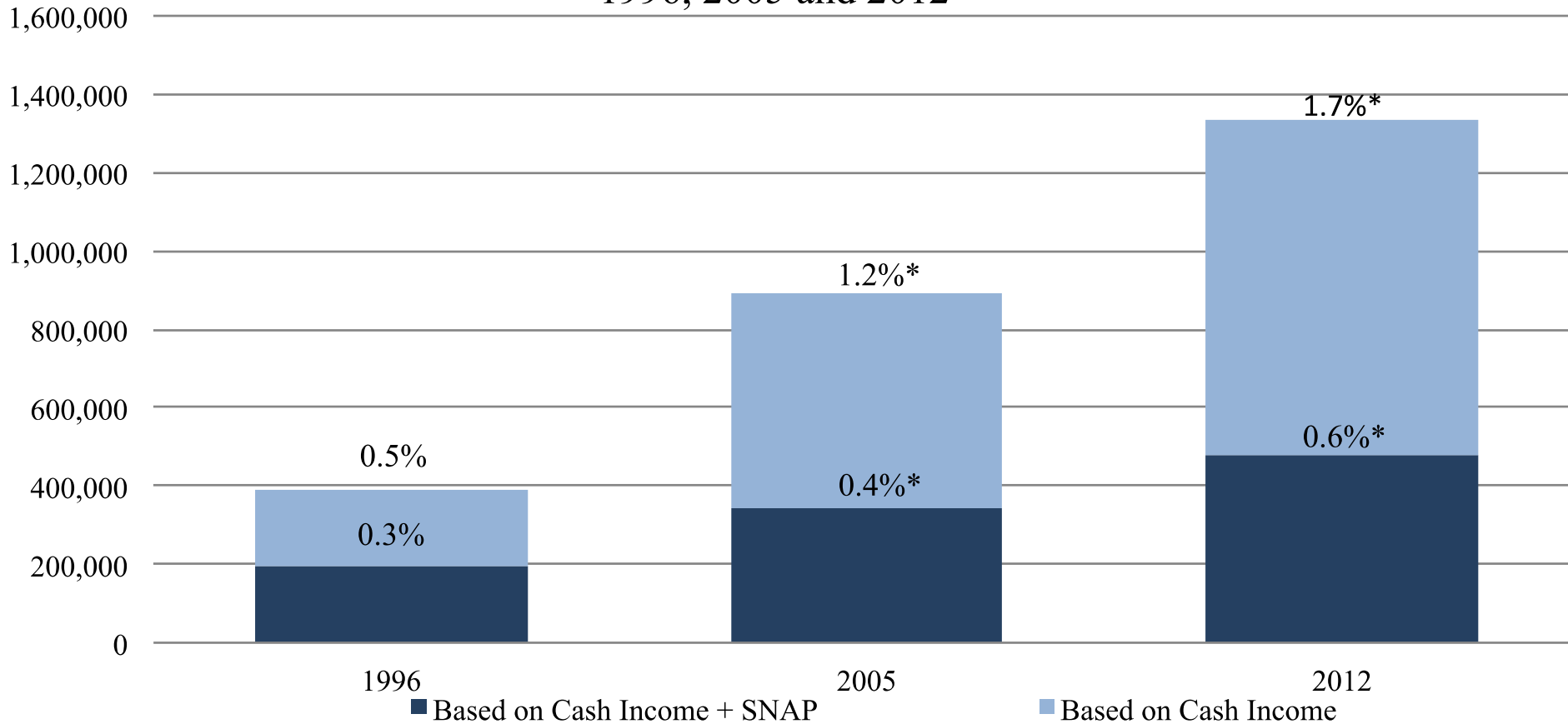
Source: Authors' analyses of the 1996 through 2008 Panels of the SIPP. The horizontal axis represents approximate years and months of SIPP 4th reference month estimates. The vertical axis represents households.



Chronic Spells Increase Most

Children in \$2-a-Day Poverty for 7 or More Months in a Year

1996, 2005 and 2012



■ Based on Cash Income + SNAP

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Notes: Authors' calculations from the SIPP, forthcoming in Shaefer, Edin & Talbert. Chronic extreme poverty = 7 or more months below a household income of \$2 per person, per day

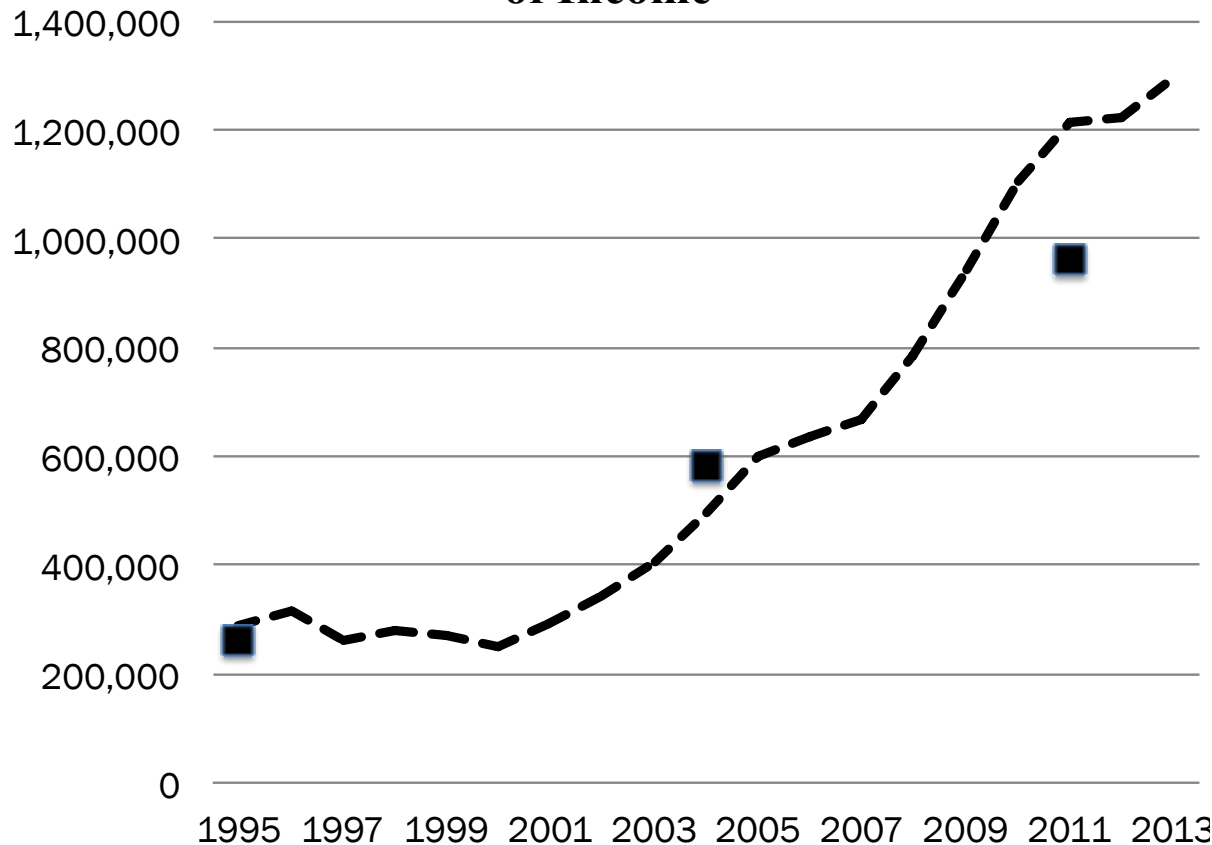
* indicates that the probability of being in extreme poverty is statistically significant different from 1996 at the .05 level or higher

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SIIPP Findings Only the Beginning

Families on SNAP Reporting No Other Source of Income



Source: Authors' tabulation from Characteristics of Supplemental Nutrition Assistance Program Households, Fiscal Years 1996-2011, based on program quality control sample.

-- SNAP Administrative Data

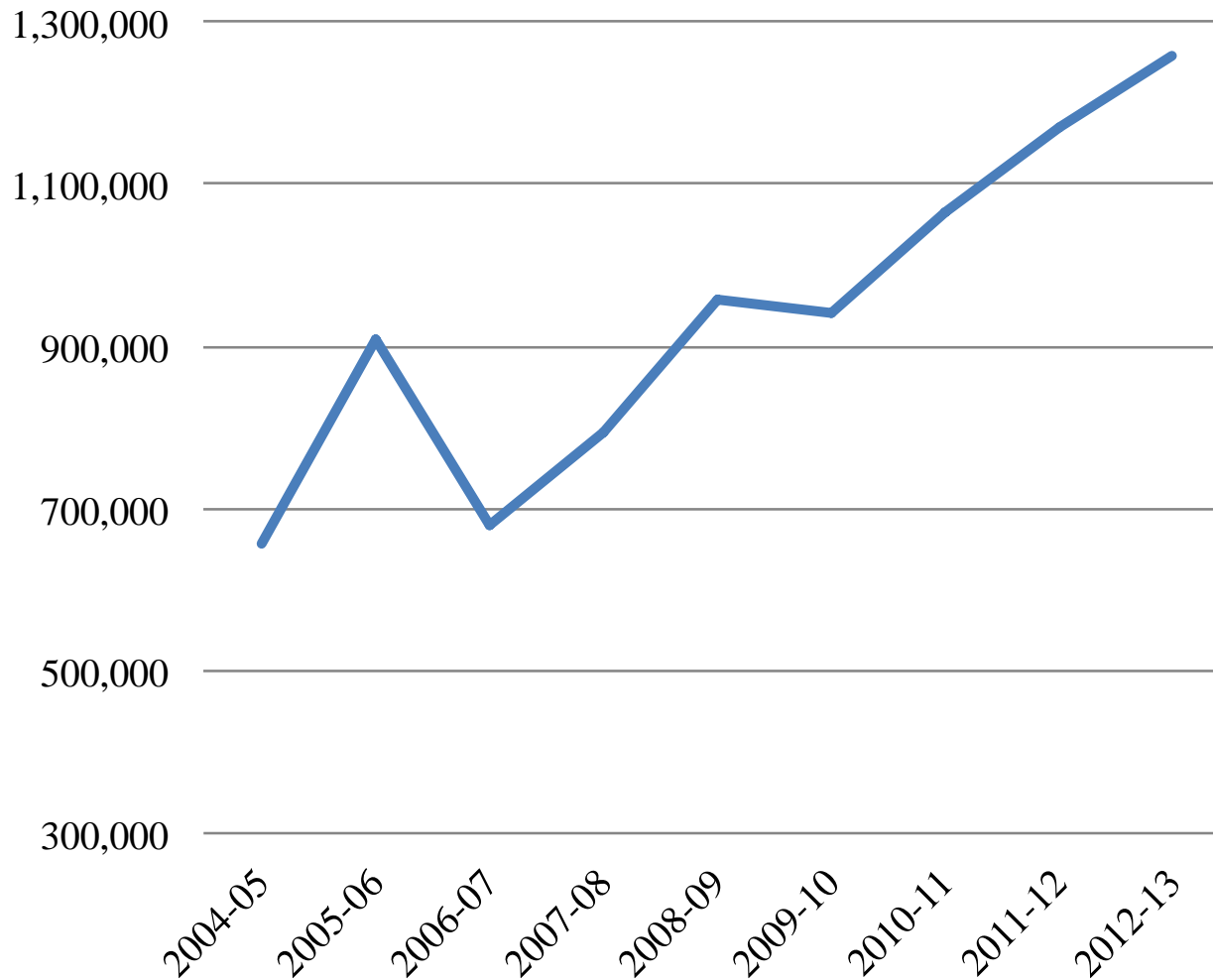
■ \$2-a-Day Households

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SIPP Findings Only the Beginning

Number of Homeless Students in the U.S.



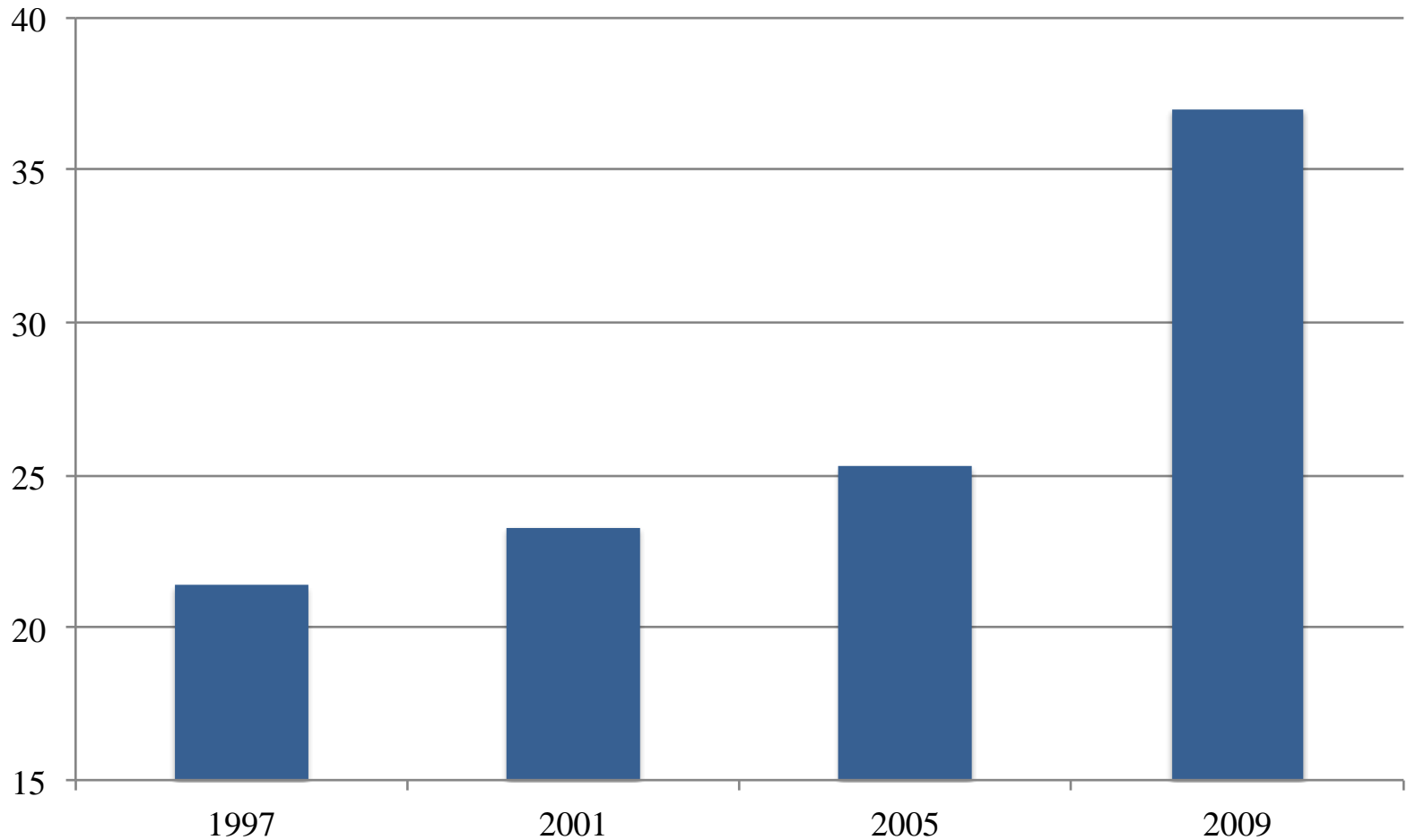
Source: National Center for Homeless Education, Data Collection Summaries

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SIPP Findings Only the Beginning

Emergency Food Assistance
Feeding America "Hunger in America" Reports
Unduplicated Clients in Millions



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***Could we find more families
like this out there?***



***What
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What do they do to survive?

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What does it feel like to be that hungry?

“Well, actually, it feel like you want to be dead.
Because it’s peaceful being dead.”

--Tabitha Hicks, 18, Mississippi Delta

What does it feel like when the food stamps run out and your daughter still needs to eat?

“Like I didn’t eat for four days because I wasn’t hungry...To be honest, I’m so used to it that I don’t even feel it anymore. I don’t feel it at all anymore.”

--Rae McCormick, Cleveland

What does it feel like to work in the freezing cold, cleaning derelict houses?

“We’d have sweaters, we’d have coats. You had to have gloves. ... The really didn’t supply us with things for our health. It really wasn’t a safe environment.”

--Jennifer Hernandez, Chicago

What do you feel like after you donate plasma twice a week, for \$60 total?

“I get tired. Especially if my iron’s down, I get, like, *really* tired.”

--Jessica Compton, Johnson City

What is it like to have 22 people living in a three-bedroom house?

“There isn’t a room other than the bathroom where no one’s sleeping.”

--Paul Heckewelder, Cleveland

Welfare is Dead

- Modonna Harris (Chicago) has heard that **“they just aren’t giving that out anymore”**
- Travis Compton (Johnson City, TN), when asked if he would apply for TANF, said **“What’s that?”**
- Rae McCormick (Cleveland) finally applies and is told, **“Honey, I’m sorry. There are just so many needy people, we just don’t have enough to go around.”**

Welfare: A Shell of Its Former Self

IN 1994, AFDC SERVED

- 14.2 million people
- 9.6 million children
- 4.6 million adults
- 5.5% of Americans
- Roughly two-thirds of poor families

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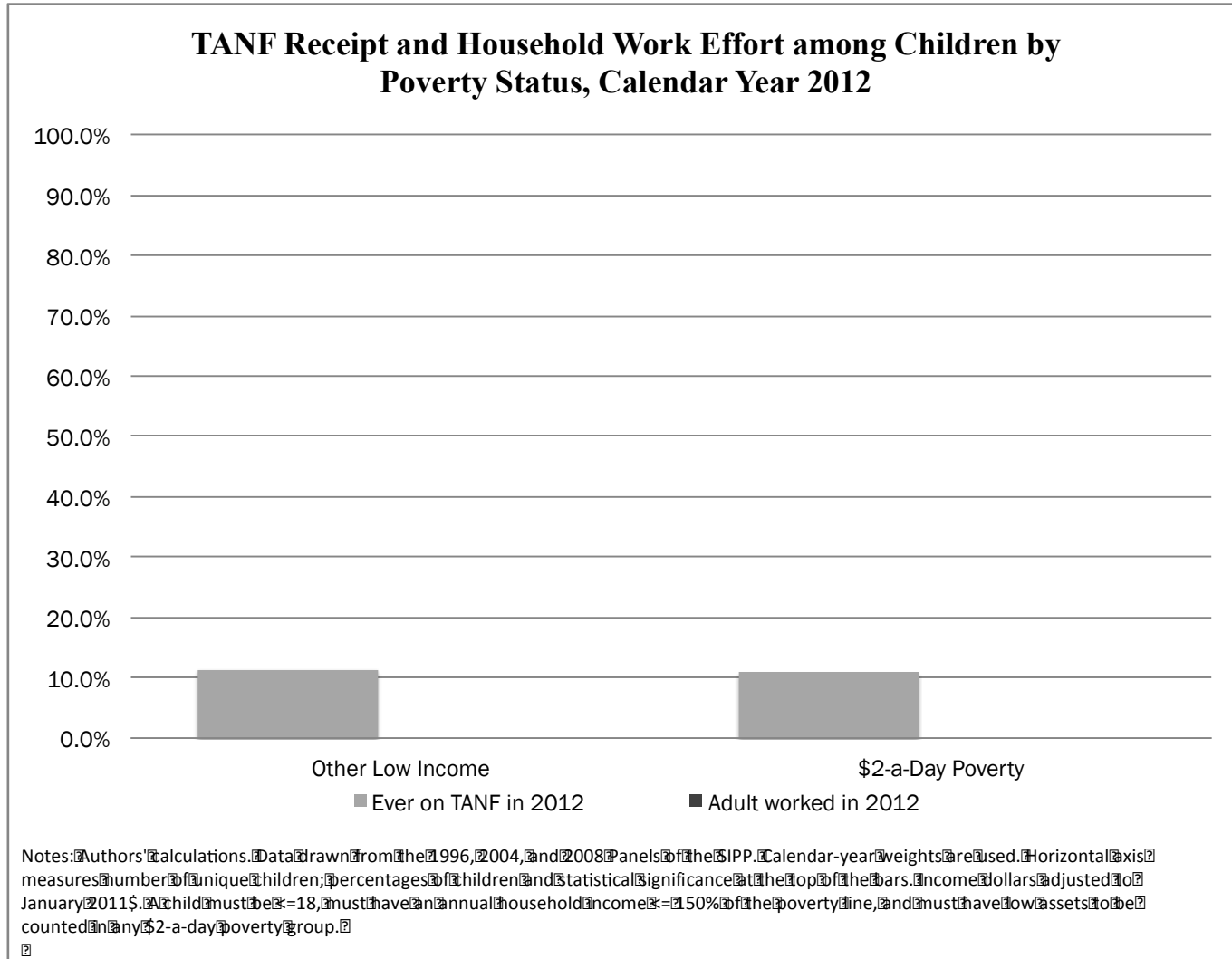
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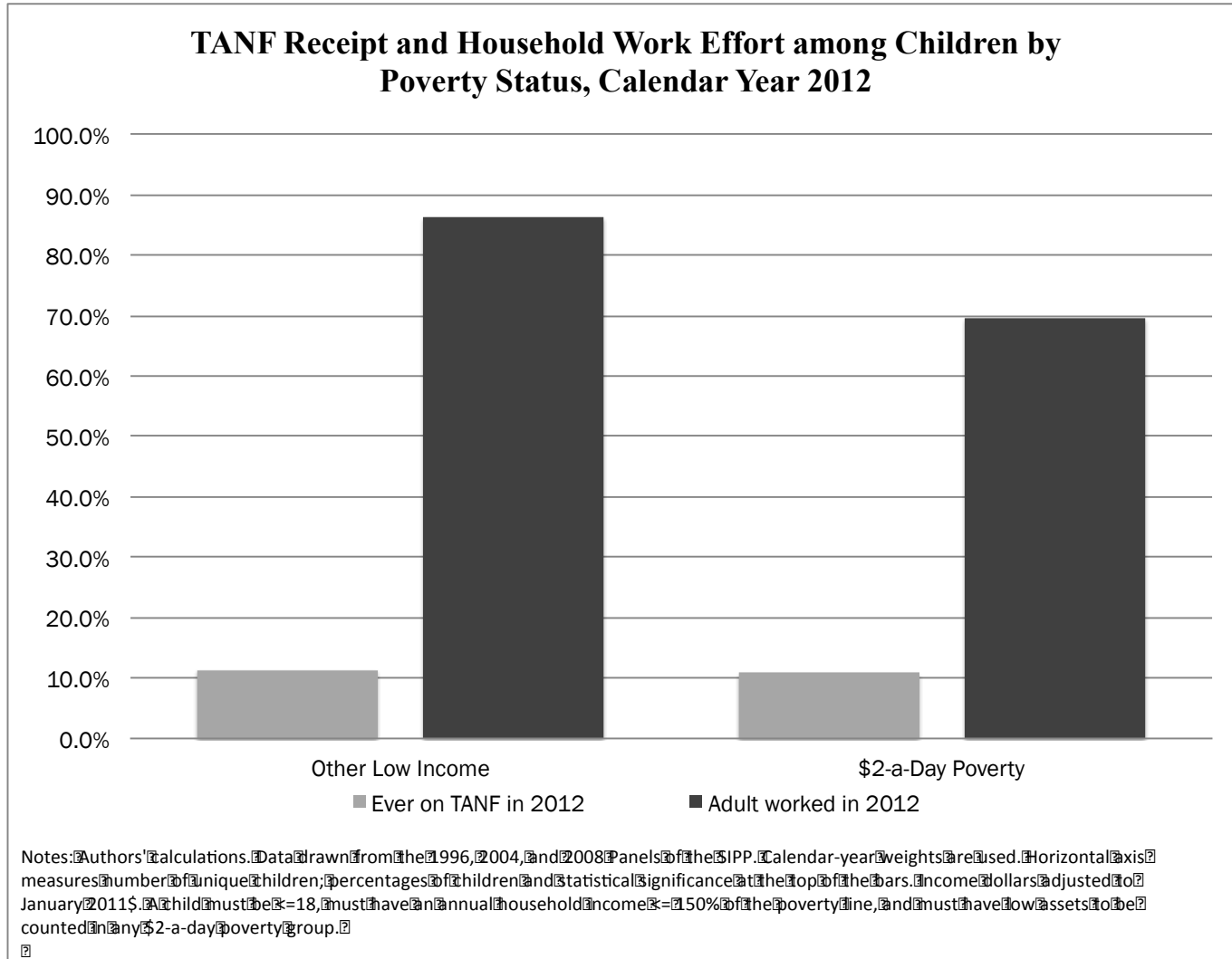
TODAY, TANF SERVES

- 4.1 million people
- 2.9 million children
- 1.1 million adults
- 1.3% of Americans
- Roughly a quarter of poor families

Work or Welfare?



Work or Welfare?



Perilous Work

Unstable Jobs

- Unsafe work condition
- Not enough hours
- Work hours fluctuate
- Labor law violations

Unstable Personal Lives

- Volatile living arrangements
- Family and friends can be unsupportive,
and even harmful

The Ripple Effects of Work

- Rae McCormick: “My dad raised me that you work for everything you have... That way, in the end of the day, you can feel good that you did that.” “I don’t like pity.” “I would rather be busy. I like to keep moving all the time.”
- Modonna Harris: “I learned so much at Stars,” a music store where she worked for eight years
- Jennifer Hernandez: “When I have been working... it seems to help me. Gives me a sense of purpose...”

The Work of Survival

- Jessica Compton (Johnson City) donates plasma weekly; for 6 hours and enough physical strain to make her tired, she earns \$60. No option of overtime.
- Private charity helps, but is not evenly distributed across the country, and takes time and know-how
- It is common to trade SNAP for cash, at 50 to 60 cents on the dollar
- With the water shut off, Paul Heckewelder (Cleveland) **“took the gutter apart, rigged it up over the garbage can”** and used rainwater to flush the toilets. He collects metal, repairs the van, drives his grandkids to local food pantries—to prove how many mouths he has to feed.

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Lessons for Jobs Plus

- Cash is important. Give cash incentives to “beat the hustle.” Hard to be in a training program when you are spending so much time on survival.
- Childcare and transportation are essential.
- Safe, secure, stable housing is incredibly important.
- A *good* job is important; many *bad* jobs and their conditions perpetuate the cycle of extreme poverty. The role of the larger economy?
- Those people in extreme poverty see themselves first and foremost as workers
- Supporting the community to support work.

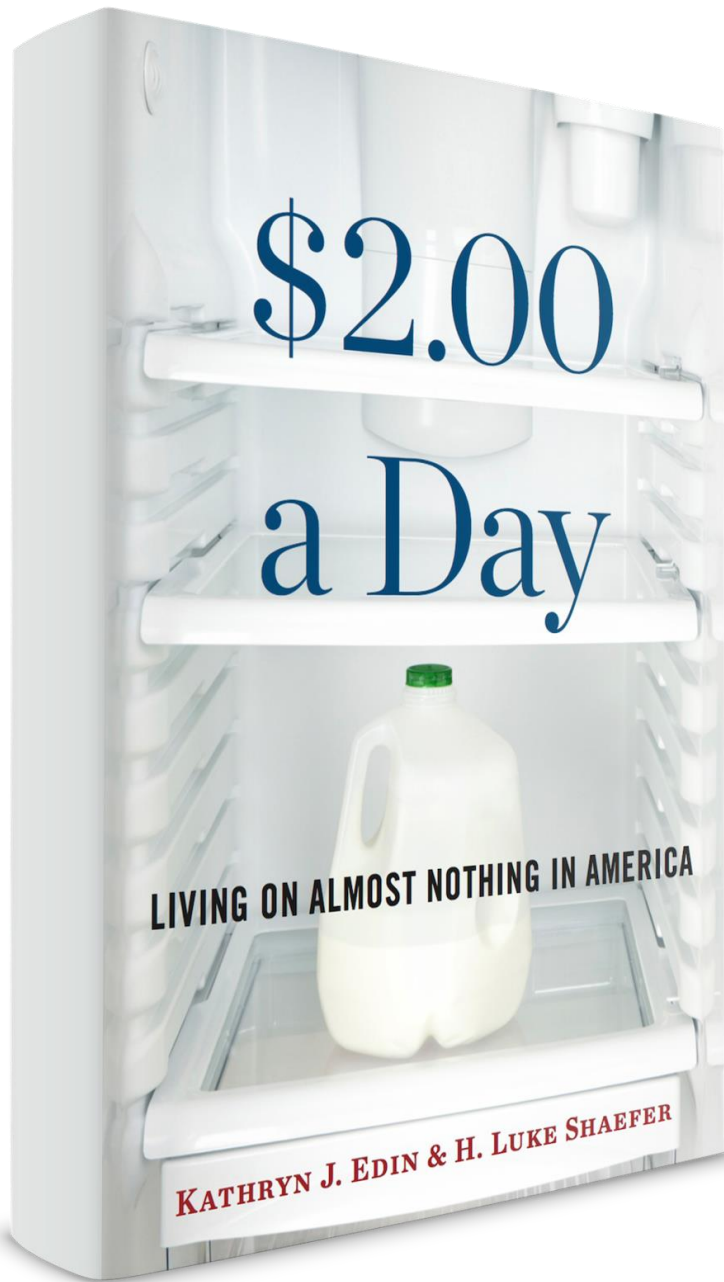
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The Ultimate Litmus Test

The ultimate litmus test we endorse for any reform is whether it will serve to integrate the poor—particularly the \$2-a-day poor—into society, rather than isolate them from it.

- All deserve the opportunity to work
- Parents should be able to raise their children in a place of their own
- Sometimes work won't work, we need a functioning cash safety net



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SIPP Misreporting Cannot Explain Trends

- SIPP reporting is much better than other major household surveys
- Estimates do not behave in ways that suggest they are driven by misreporting
- We document a series of other markers of worsening conditions among the nation's poorest
- SIPP research was driven and followed by qualitative inquiry
- Underreporting itself can be a sign of bad outcomes

American Poverty in Global Perspective

We follow Amartya Sen's approach of looking at direct measures of well-being

- Some disadvantaged Americans have a life expectancy that parallels that of Lebanon
- For others, life expectancy rivals that in Mongolia
- African Americans face an infant mortality rate comparable to that in Tonga and Grenada
- The American poor are the most likely to lose their freedom by incarceration than any other population in the world